Message Text

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INFO OCT-01 ARA-14 ISO-00 CIAE-00 INR-10 LAB-04 NSAE-00 PA-02 SIL-01 ICA-20 /060 W

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R 122254Z JUL 78 FM AMEMBASSY GUATEMALA TO USDOC WASHDC INFO SECSTATE WASHDC 0940

UNCLAS SECTION 1 OF 2 GUATEMALA 4115

E.O. 11652: N/A TAGS: BEXP GT

SUBJ: US PARTICIPATION AT INTERFER '79, OCT 31-NOV 13, 1979

REF: A. GUATEMALA A-125, DEC 14, 1977, B. GUATEMALA 3004

1. SUMMARY. IN DISCUSSIONS WITH THE PRESIDENT OF FAIR'S ORGANIZING BODY, WE HAVE LEARNED THAT INTERFER '79, GUATEMALA'S BIENNIAL TRADE FAIR, WILL RETURN TO ITS OLD SITE. WHILE SPACE PROBLEMS DO EXIST THERE, SITE SHOULD BE SATISFACTORY. EMBASSY STRONGLY RECOMMENDS THAT US PARTICIPATE IN INTERFER '79 WITH A LOCALLY RECRUITED AND FINANCED PAVILION, BUT IMPROVING ON OUR INTERFER '77 EFFORT BY INCORPORATING SELECTIVE RECRUITING AND A SINGLE DESIGN FOR PAVILION. VERY IMPORTANTLY WE HAVE OBTAINED FOR THE FIRST TIME FULL SUPPORT OF THE AMERICAN CHAMBER OF COMMERCE IN GUATEMALA. FOLLOWING COMMERCE SUPPORT FOR US PAVILION IS REQUESTED:

A. PAVILION DESIGN.

B. ASSIGNMENT OF FAIR EXPERT TO GUATEMALA FOR FOUR WEEKS BEFORE AND TWO WEEKS DURING FAIR.

C. SMALL SUPPORT BUDGET. EARLY CABLE REPLY WOULD BE APPRECIATED. UNCLASSIFIED

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2. REF A SUMMARIZED OUR VERY SUCCESSFUL POST INITIATED AND FINANCED US PAVILION AT INTERFER '77, THE BIENNIAL GUATEMALAN TRADE FAIR. REF B REQUESTED THAT COMMERCE SUPPORTED PAVILION AT INTERFER '79 BE MADE OPTION FOR OUR PROMOTION IN FY 1980 PENDING OUR OBTAINING ADDITIONAL INFORMATION ON FAIR.

3. SINCE SENDING REF B WE HAVE DISCUSSED INTERFER '79 WITH PRESIDENT OF COPEREX, FAIR'S ORGANIZERS. HE SAID THAT INTERFER '79 WILL RETURN TO CENTRAL AMERICAN INDUSTRIAL PARK GROUNDS WHERE IT WAS HELD BEFORE 1977. COPEREX IS NOW ERECTING A NEW 12,000 SQ. METER BUILDING WHICH HE SAID WOULD HOUSE MOST EXHIBITORS. SPACE LIMITATIONS IN PARK WOULD PRECLUDE MORE THAN ONE OR TWO OTHER BUILDINGS. ALL OF INTERFER'S OLD EXHIBITION HALLS REMAIN OCCUPIED BY GENERAL HOSPITAL WHICH MOVED THERE AFTER 1976 EARTHQUAKE AND HE DOES NOT EXPECT THEM TO MOVE BEFORE 1980. BUILDINGS USED BY HOSPITAL WILL BE BLOCKED OFF FROM REST OF GROUNDS. SPACE IN NEW BUILDING WILL COST \$40.00 SQ METER, SAME AS IN 1977. NEW MANAGER FOR COPEREX HAS NOT YET BEEN NAMED. COMMENT: WHILE NOT IDEAL, THIS SITE SHOULD BE SATISFACTORY.

4. IT WAS CLEAR FROM OUR EXPERIENCE IN INTERFER '77 THAT THIS FAIR GENERATES A VERY GREAT DEAL OF BUSINESS. MORE THAN \$1.4 MILLION WAS REPORTED SOLD BY PARTICIPANTS IN THE US PAVILION AND ALL EXPRESSED A STRONG INTEREST IN EXHIBITING AGAIN IN 1979. OTHER NATIONAL PAVILIONS REPORTED SIMILAR SUCCESS. INTERFER IS ALSO IMPORTANT FROM A PUBLIC RELATIONS STANDPOINT. ALL OF GUATEMALA'S MAJOR TRADING PARTNERS (EXCEPT GREAT BRITAIN) EXHIBIT, AND THE US IS BY FAR THE MOST IMPORTANT, ACCOUNTING FOR MORE THAN ONE THIRD OF GUATEMALA'S EXPORTS AND IMPORTS. THE GUATEMALAN GOVERNMENT BANKROLLS THE FAIR AND USED THE OCCASION IN 1977 TO INVITE ALL THE PRESIDENTS OF CENTRAL UNCLASSIFIED

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AMERICA TO GUATEMALA. IT SHOULD ALSO BE EMPHASIZED THAT GUATEMALA HAS BECOME A VERY LARGE MARKET FOR THE US. US EXPORTS HAVE GROWN FROM A LITTLE OVER \$100 MILLION IN 1972 TO \$377 MILLION IN 1977, AND WE EXPECT EXPORTS TO TOP \$450 MILLION THIS YEAR. GUATEMALA IS THE US' SECOND LARGEST MARKET IN CENTRAL AMERICA AND THE CARIBBEAN, 10 TH IN LATIN AMERICA AND INCIDENTALLY BUYS MORE US PRODUCTS THAN ANY COUNTRY IN EASTERN EUROPE EXCEPT POLAND.

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5. ONE OF OUR LIMITATIONS IN '77 WAS THE LACK OF INTEREST ON THE PART OF THE AMERICAN CHAMBER OF COMMERCE FOR GUATEMALA IN HELPING THE EMBASSY ORGANIZE THE PAVILION. AMCHAM HAS A NEW PRESIDENT NOW AND WITH HIS SUPPORT WE HAVE GOTTEN A FORMAL COMMITMENT FROM THEM TO CREATE A JOINT COMMITTEE TO ORGANIZE THE US PAVILION.

6. ON THE BASIS OF THE ABOVE, THE EMBASSY STRONGLY RECOMMENDS THAT THE US PARTICIPATE IN INTERFER '79, AT A LEVEL ABOVE THAT OF INTERFER '77 BUT STILL BELOW THAT OF A FULL CALSS I COMMERCE ORGANIZED SHOW, BUT USING FOR THE FIRST TIME THE HELP OF THE DEPARTMENT OF COMMERCE. OUR PRELIMINARY PLANS ON PARTICIPATION ARE AS FOLLOWS: EMBASSY AND AMCHAM WOULD ORGANIZE US PAVILION WITH GOAL OF 20 TO 25 STANDS, MOST FIRMS TO BE RECRUITED FROM LOCAL DISTRIBUTORS AND SUBSIDIARIES, BUT PARTICIPATION FROM STATE OF FLORIDA DEPARTMENT OF COMMERCE (AS IN 1977) AS WELL AS LOUISIANA AND TEXAS ARE POSSIBILITIES. WE HAVE NOT YET DECIDED WHETHER IT WOULD BE PRACTICAL TO TRY TO HAVE THEME FOR PAVILION, BUT AT MINIMUM WE WOULD SEEK COMPANIES OFFERING HIGH STANDARD OF US TECHNOLOGY, IDEALLY WITH VIEW TO NEW TO MARKET PRODUCTS. FINANCIAL COMMITMENT FOR SPACE WOULD BE HANDLED AS IN INTERFER '77, WITH ALL PARTICIPANTS CONTRACTING DIRECTLY AND INDIVIDUALLY WITH COPEREX. EMBASSY/AMCHAM WOULD RESERVE WITHOUT OBLIGATION A US PAVILION AREA AND THEN FIND FIRMS TO FILL IT. IN DOING THE RECRUITING OURSELVES, WE WOULD BE TAKING A MORE ACTIVE ROLE UNCLASSIFIED

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THAN IN '77, WHEN MOST FIRMS CAME TO US. HOWEVER, SINCE THE US GOVERNMENT WOULD NOT BE CONTRACTING FOR SPACE DIRECTLY FROM COPEREX, WE WOULD NOT BE AN OFFICIAL PARTICIPANT IN THE STRICTEST SENSE OF THE TERM. THIS WOULD ALLOW US SOME LEEWAY IN DECIDING WHAT TO DO ABOUT INTERFER '81.

7. CONSTRUCTION OF STANDS WOULD BE HANDLED DIFFERENTLY THAN IN '77. INSTEAD OF EACH FIRM BUILDING ITS OWN, WHICH RESULTED IN STANDS OF UNEVEN QUALITY, EMBASSY/AMCHAM WOULD PRESENT AN OVERALL DESIGN FOR THE US PAVILION TO EACH FIRM WISHING TO PARTICIPATE AND OBTAIN FIRM'S AGREEMENT TO PAY FOR PRORATED SHARE DIRECTLY TO A LOCAL BUILDER, WHOM WE WOULD HAVE GOTTEN A COMMITMENT FROM EARLY ON. OFFICIAL RECEPTION, AS BEFORE,

WOULD BE PAID BY PARTICIPANTS.

8. TO CARRY OUT THIS PLAN EMBASSY REQUESTS FOLLOWING SPECIFIC COMMERCE SUPPORT FOR US PAVILION AT INTERFER '79.

A. DESIGN OF PAVILION - WE WOULD PROVIDE DIMENSIONS AND EXPECTED NUMBER OF BOOTHS. CONSTRUCTION FOLLOWING COMMERCE PLANS WOULD BE DONE LOCALLY.

B. FAIR EXPERT - BECAUSE OF ECON/COMMERCIAL SECTION STAFF LIMITATIONS WE WOULD NEED A COMMERCE DEPARTMENT FAIR EXPERT TO COME TO GUATEMALA ABOUT FOUR WEEKS BEFORE FAIR OPENING TO HANDLE FINAL DETAILS, CONSTRUCTION OF PAVILION, SETTING UP OF STANDS, ARRANGEMENTS WITH COPEREX, RECEPTION, ETC. AND STAY DURING TWO WEEKS OF FAIR.

C. SMALL SUPPORT BUDGET - WE WOULD LIKE \$3,000 TO COVER (1) COST OF HIRING SECRETARY/ADMINISTRATIVE PERSON 8 WEEKS BEFORE SHOW AND TWO AFTER WHO WOULD HANDLE PAPER WORK, COORDINATE WITH PARTICIPANTS, COPEREX, ETC. AND TO HELP FAIR UNCLASSIFIED

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EXPERT, (2) SUPPLIES, PUBLICITY, MISCELLANEOUS ITEMS.

9. EMBASSY LOOKS FORWARD TO EARLY REPLY FROM COMMERCE IN REGARD TO THIS REQUEST. BOSTER

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